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Attorneys for Nominal Defendant
Power Integrations, Inc.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

Kimberly Quaco, Derivatively on Behalf of
Nominal Defendant POWER
INTEGRATIONS, INC.,

Plaintiff,

v.

Balu Balakrishnan, et al.

Defendants,

Power Integrations, Inc.,

Nominal Defendant.

Case No. C-06-2811-MHP

**STIPULATION AND ~~PROPOSED~~ ORDER
STAYING POWER INTEGRATIONS'
MOTION TO DISMISS TO ALLOW THE
PARTIES TO FILE A MOTION FOR
PRELIMINARY APPROVAL OF
SETTLEMENT**

Pursuant to Northern District Civil Local Rule 6-2, Nominal Defendant Power Integrations, Inc. ("Power Integrations") and Representative Plaintiffs Geoffrey Wren, Kimberly Quaco, and Christopher DeBoskey ("Plaintiffs"), by and through their respective counsel of record, hereby stipulate and agree to stay Power Integrations' Motion to Dismiss to allow the parties to finalize a written settlement agreement and file a Motion for Preliminary Approval of Settlement. Under the proposed stipulation, if the parties have not filed a Motion for Preliminary Approval of Settlement by **November 30, 2007**, Power Integrations will have two weeks from November 30, 2007, to file its Motion to Dismiss and will meet and confer with plaintiff's counsel and submit a further stipulation regarding the briefing schedule and new hearing date for

1 such hearing. This stipulation is based on the following facts:

2 **Whereas**, representative plaintiff Kimberly Quaco initiated this shareholder derivative
3 case on behalf of Nominal Defendant Power Integrations on or about April 25, 2006;

4 **Whereas**, on May 10, 2006, the parties stipulated that plaintiff would file the amended
5 complaint on or before May 26, 2006 and that defendants would respond to such amended
6 complaint on or before June 26, 2006;

7 **Whereas**, representative plaintiff Kimberly Quaco filed an amended complaint on
8 May 26, 2006. At the time of filing, counsel for Power Integrations no longer represented all
9 individual defendants. As a result, service was not completed on all defendants at the same time.
10 By stipulation dated June 22, 2006 (and approved by the Court), the parties agreed to an effective
11 service date and agreed that defendants would respond to the Quaco amended complaint on or
12 before September 12, 2006;

13 **Whereas**, on August 1, 2006, after the parties had set the service and response dates by
14 stipulation, Kathryn Champlin initiated a shareholder derivative action on behalf of Nominal
15 Defendant Power Integrations based upon allegations that were virtually identical to those alleged
16 in the Quaco case. Champlin also moved to be appointed lead plaintiff in the case;

17 **Whereas**, on September 5, 2006, the Court granted Power Integrations' motion to extend
18 the time to respond to the Quaco amended complaint until after the motion to consolidate and
19 appoint lead plaintiff was resolved;

20 **Whereas**, on December 18, 2006, the Court appointed Geoffrey Wren as lead plaintiff
21 and the law firm of Schiffrin Barroway Topaz & Kessler, LLP as lead counsel and ordered
22 plaintiff to file a consolidated complaint no later than January 17, 2007;

23 **Whereas**, on February 9, 2007, April 10, 2007, and May 31, 2007, pursuant to
24 stipulations by the parties, the Court extended Power Integrations' time to respond to the
25 Consolidated Complaint and stayed all other activities to allow the parties to engage in informal
26 discovery and to discuss a potential resolution of this matter;

27 **Whereas**, on August 3, 2007, pursuant to a stipulation by the parties, plaintiffs filed an
28 Amended Consolidated Complaint;

7 **Whereas**, since the mediation, the parties have been engaged and continue to engage in
8 negotiations with the goal of presenting a final written settlement agreement to the Court for
9 preliminary approval on or before November 30, 2007;

14 **Now, therefore, it is hereby stipulated,** by and between the undersigned, as follows:

17 2. The hearing scheduled for January 14, 2008 is off-calendar;

24 Dated: October 26, 2007

By: /s/ Jonathan Bornstein
Jonathan Bornstein

COOLEY GODWARD
KRONISH LLP
ATTORNEYS AT LAW
PALO ALTO

1 Dated: October 26, 2007

COOLEY GODWARD KRONISH LLP

2
3 By: /s/ Jeffrey S. Karr

4 Jeffrey S. Karr

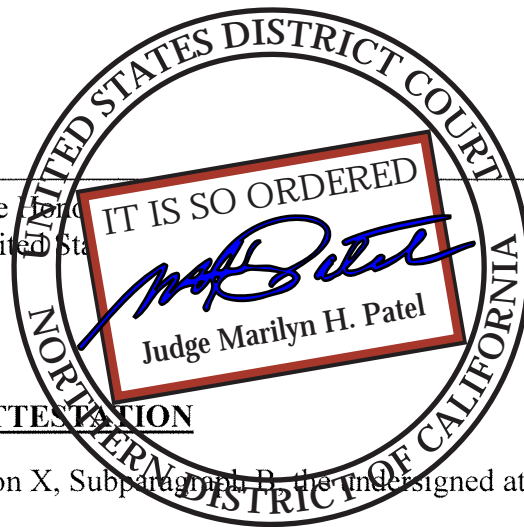
5 Attorneys for Nominal Defendant
6 Power Integrations, Inc.

7
8 **ORDER**

9 PURSUANT TO THE STIPULATION BY THE PARTIES, IT IS SO ORDERED.

10
11 Dated: October 30, 2007

12 The Court
13 United States



14
15
16 **FILER'S ATTESTATION**

17 Pursuant to General Order No. 45, Section X, Subparagraph B, the undersigned attests that
18 all parties have concurred in the filing of this Stipulation and [Proposed] Order.

19
20 Dated: October 26, 2007

COOLEY GODWARD KRONISH LLP

21
22 By: /s/ Jeffrey M. Kaban

23 Jeffrey M. Kaban